GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4250
ANSWERED ON:04.05.2007
OVERDRAWAL OF POWER
Meghwal Shri Kailash;Owaisi Shri Asaduddin

Will the Minister of POWER be pleased to state:

(a) whether the Regional Load Dispatch Centres (RLDC) has submitted a proposal to the Central Regulator to increase unscheduled interchange (UI) ceiling rate in order to check overdrawing of power by the States;

(b) if so, the details thereof;

(c) whether the Central Electricity Regulatory Authority has decided to increase the ceiling rate of the UI as reported in the Times of India dated April 9, 2007;

(d) if so, the details thereof;

(e) whether increasing UI rates is likely to put heavy burden on the States which are suffering from acute power scarcity; and

(f) if so, the details thereof and the corrective steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) & (b) : Southern Regional Load Despatch Centre (SRLDC) had filed a Petition before the Central Electricity Regulatory Commission (CERC) on 10.11.2006 praying for increase in the UI ceiling rate matching to the prevailing liquid fuel price and directions to the constituents of Southern Region to carry out requisite load shedding whenever the frequency fell below 49.0 Hz. for ensuring secure and reliable operation of Southern Regional Grid by maintaining the grid frequency above 49.0 Hz. In the course of hearing of the above petition on 11.01.2007, the Commission had directed Power Grid Corporation of India Limited (PGCIL) to deliberate the issue of enhancement of the UI prices in consultation with the Regional Load Dispatch Centres (RLDCs) and State Load Dispatch Centres (SLDCs) and submit a consolidated proposal to the Commission by 25.01.2007. Accordingly, PGCIL, which is also the Central Transmission Utility, submitted its detailed proposal for rationalization of UI price vector vide its affidavit dated 25.01.2007, which was taken up by the Commission. In the above proposal, formulated in consultation with all RLDCs, the ceiling UI rate was sought to be increased from the present level of Rs.5.70 per kWh to Rs.9.30 per kWh.

(c) & (d) : After considering the comments of various stakeholders, the Commission had issued an Order dated 05.04.2007, and had also issued a public notice on 07th April, 2007 seeking objections/suggestions from the public on the draft regulations to amend the CERC (Terms & Conditions of Tariff) Regulations, 2004 to provide for the new ceiling rate for Unscheduled Interchange (UI) at Rs.7.45 per kWh at frequency of 49.02 Hz and below. The comments so received were considered by the Commission, and it has decided to increase the UI ceiling rate to Rs.7.45 per kWh with effect from 30.04.2007.

(e) : The Unscheduled Interchange (UI) rate is on a different footing from the normal energy charges which are payable by the State Power Utilities for their allocated shares in Central Generating Stations. UI Charges are payable by the former only in case they overdraw electricity with respect to their scheduled drawal (which are based on a State`s entitlement in Central Generating Stations). In case State Power Utilities under-draw electricity with respect to their schedule then the UI charges are receivable by them. The impact of change in UI prices in a State is dependent on its drawal pattern. In case it restricts its drawal from the regional grid to its entitlement in Central Generating Stations, there would be no UI charges to be paid by it, and consequently no impact of UI rate hike at all on the consumers in that State. It is only in case of State Power Utilities overdrawing power from regional grid during a low frequency condition that UI charges would have to be paid at the enhanced rate. The UI charges paid by overdrawing States are passed on to the under-drawing States as a compensation for short receipt of energy they were entitled to receive from the Central Generating Stations.

(f) : According to CERC, revision in UI rate has been necessitated for improving grid discipline and maintaining grid security.